

CABLE TELEVISION DIVISION Testimony for the Cable Television Division Hearing on  
Verizon's Proposed Changes to the Cable Licensing Process (CTV 06-1)

Director Matthews, Members of the Cable Television Division and Members of the Legislature:

My name is David Becker and I am a member of the Communications Advisory Committee of the Town of Lexington, Massachusetts. I have been a part of Lexington's negotiating process for the initial license for RCN in 1999 and the renewal license for Comcast in 2004, and, currently, for an initial license for Verizon, and so speak from some experience in negotiating with cable operators.

Based on that experience, I'd like to make some comments on the proposed change to the way cable television licenses are granted in Massachusetts. The petitioner (Verizon) has proposed to streamline the licensing process, including a provision for appealing to the Cable Television Division to intervene if three months has passed since initiation of the licensing process. This would be an unneeded, dangerous change to the licensing process, based on a false premise put forward by the petitioner that it is at some sort of disadvantage.

1. The change is unnecessary. The current process works well, and allows adequate, not undue, time to negotiate the license. Each side puts forward its desires and rationales and the other responds. Normally, the differences between the parties' positions get narrowed within a reasonable time, and when they are small enough, the two parties get to a handshake agreement. But a certain amount of evidence has to be exchanged and reviewed at each step. Sometimes the respective positions are strongly held, and a lot of confidence building has to be done for the parties to move to the next step. This process should not be subject to a firm, short-term cutoff date. Because of costs and other burdens on a municipality when its personnel and legal counsel are tied up in cable license negotiations, no community will intentionally make the negotiation period any longer than it needs to be.

We attempted to make the process as easy as possible for Verizon, by offering them a license under the same terms and conditions as those in our licenses with RCN and Comcast. They refused, saying that they must have their own license format (including unusual definitions of commonly accepted terms in Massachusetts licenses). This uncompromising attitude is responsible for any delays in the Lexington negotiations.

2. The proposed process is illogical, because the operator can cause a delay and then ask the Cable Television Division for relief because the municipality has not issued them a license within the specified period of time.

For example, in our current negotiations with Verizon there were ongoing discussions between the Town and the operator from early March until mid-May. At that time we

vided information to the operator in support of the benefits we expected for the town  
ensure compliance with the level playing field clause in another operator's license.  
hough we continued to check with them, we had no real response until the end of July.  
der the proposed process, the operator could complain to the Cable Television  
vision that five months had passed without the Town issuing a license, and ask the  
vision to intervene, even though half that time is directly attributable to Verizon's own  
lure to respond. It isn't reasonable for any contractual process to be so biased toward

The petitioner imagines an environment in which it (Verizon) is at a disadvantage and  
eds help. But the actuality is that Verizon has an advantage enjoyed by no other  
erator in Massachusetts: Its entire plant can be installed at any time during  
gotiations because it can be providing telephone and Internet service under Title II of  
e Communications Act and Chapter 166 of the MGL. This enormous advantage allows  
em to start collecting cable television revenues the day after a license is signed. Any  
her new licensee (including, for example, RCN in Lexington) does not get revenues  
til its plant is installed, a delay of at least 18 to 24 months.

In summary, the current licensing system works well. Verizon's licensing problems are  
f its own making. It enjoys advantages, not disadvantages, in the Massachusetts  
nvironment, and would do better to concentrate on negotiating fair licenses with  
Lexington and other municipalities instead of trying to manipulate the rules in its favor.

David S. Becker  
18 Augustus Road  
Lexington, MA 02421  
(781) 861-0547  
BeckerDS@aol.com